



"People
helping
people
help
themselves"

Frank O'Bannon, Governor
State of Indiana

***Indiana Family and Social Services
Administration***

402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083

John Hamilton, Secretary

August 7, 2003

On August 6, 2003 Judge William J. Hughes, Hamilton Superior Court issued a preliminary injunction against the Family and Social Services Administration enjoining the agency from implementing the Medicaid spend-down provisions contained in Transmittal #35 of the Program Policy Manual regarding treatment of medical expenses that are subject to payment by a third party. The policy prior to Transmittal #35 with regard to allowing medical expenses to meet spend-down remains in effect.

Medical expenses that are *subject to* payment by a third party are allowable to meet spend-down. The amount of an expense that has been *paid* by a third party at the time the expense is being presented to meet spend-down will not be allowed.

The Manual will be updated in a later transmittal.

Thank you.